

Sequestration and the Judiciary

(Text of a March 5, 2013, letter from Judge Thomas F. Hogan, director of the Administrative Office of the U.S. Courts. It was sent to leaders and ranking minority members of the House and Senate Appropriations and Judiciary committees, and of relevant subcommittees.)

The Administrative Office of the United States Courts (AO) recently received several requests for information about how the Judiciary is preparing to handle the impact of funding sequestration. The Judiciary's efforts to address this budgetary emergency have been extensive, involving countless hours spent by judges, and court and AO staff working to determine how best to withstand the severe cuts while still continuing to perform core constitutional duties. As background, following months of information gathering and planning, the Executive Committee met on December 19, 2012, to consider proposed actions to deal with the impact of sequestration on the federal courts. With enactment of the American Taxpayer Relief Act of 2012 and the subsequent delay in the effective date of sequestration, from January 2 to March 1, 2013, the Executive Committee met again on February 7, 2013, to finalize actions based on updated sequestration calculations for the Judiciary.

We consider the emergency measures approved by the Executive Committee (discussed below) to be one-time only. They cannot be sustained beyond fiscal year 2013 and will be difficult and painful to implement. The Judiciary cannot continue to operate at such drastically reduced funding levels without seriously compromising the constitutional mission of the federal courts. This is especially true if those funding levels continue into fiscal year 2014 and beyond. We are hopeful that Congress and the Administration will ultimately reach agreement on alternative deficit reduction measures that render the current sequestration cuts unnecessary.

The Executive Committee approved a number of emergency measures that applied primarily to the non-salary parts of the Judiciary budget. Because of our decentralized budget and management system for the courts, the planning is primarily done on the local level. The goal of the emergency measures was to minimize the impact of sequestration on court staff by providing maximum flexibility to court managers. This was only partially successful. The sequestration cuts that went into effect March 1, 2013, total nearly \$350 million for the Federal Judiciary. Fiscal year 2013 court allotments on a national level would have declined by 14.6 percent below fiscal year 2012 allotments. Instead, after applying the emergency measures, court allotments have declined by 10.4 percent below fiscal year 2012 allotments. While this is a marked improvement, the allotments, after sequestration and implementation of the emergency measures, could still result in up to 2,000 on-board employees being laid off or thousands of employees facing furloughs for one day each pay period (a 10 percent pay cut). These sequestration staffing losses would come on top of the almost 9 percent decline in staff (over 1,800 probation officers and clerks' office staff) that has already been experienced in the courts since July 2011.

These budget reductions to the Judiciary will have serious implications for the administration of justice and the rule of law. Public safety will be impacted because there will

be fewer probation officers to supervise criminal offenders released in our communities. Funding for drug testing and mental health treatment will be cut 20 percent. Delays in the processing of civil and bankruptcy cases could threaten economic recovery. There will be a 30 percent cut in funding for court security systems and equipment and court security officers will be required to work reduced hours, thus creating security vulnerabilities throughout the federal court system. In our defender services program, federal defender attorney staffing levels will decline, which could compromise the integrity of the defender function and delay payments to private attorneys appointed under the Criminal Justice Act for nearly three weeks in September. Sequestration will also require deep cuts in our information technology programs on which we depend for our daily case processing and on which we have successfully relied in past years to achieve efficiencies and limit growth in our budget.

I have enclosed for your information a description of guidance regarding sequestration given to federal courts nationwide in late February. While some of it is technical in nature, our guidance provides important information for the courts on funding levels under sequestration as well as practices for managing payroll and personnel activities under sequestration. As the enclosed description indicates, decisions about court closures, furloughing staff or other adverse personnel actions, managing court operations at lower funding levels, and salary policies under sequestration, reside with each court unit. Allowing individual court units to set their own funding priorities under sequestration is consistent with the decentralized structure of the federal court system and long established Judiciary budget execution policies. I have, however, urged courts to delay implementation of any involuntary personnel actions, such as furloughs or terminations, until April when we hope to have a clearer picture of full-year funding for fiscal year 2013.

I hope this letter has provided you with insight into the actions we are taking to address sequestration as well as the devastating impact the cuts will have on the administration of justice in this country.

This letter is being provided in similar form to the chairman and ranking minority member of the House and Senate Judiciary Committees and to the chairman and ranking minority member of the House and Senate Appropriations Committees and their relevant subcommittees. If you require any additional information, please contact our Office of Finance and Budget at 202-502-2000.